

Effective Date: 3/16/83

Revised: 06/99

**Town of Concord**

**APP # 3**

**Appropriation Account Management**

1. Sound fiscal management is a priority and goal of the Town government. Department heads bear the primary responsibility for the implementation of this goal. Department heads are expected to continuously review and analyze their budgets; project balances; promptly detect and report projected deficits to the Finance Director; and propose and implement corrective measures. Significant deficits (over \$100) should not arise during the last month of the fiscal year unless there is a true emergency. In fact, detection of significant deficits should occur at least six months prior to the end of the fiscal year.
2. Appropriation Accounts represent fixed maximum expenditure levels. Account limits are determined in accordance with the grouping of expenditures by item number as they appear in the Warrant voted at Town Meeting. All proposed expenditures within an appropriation account must be evaluated by the department head in light of the shortages and/or surpluses which can be expected in all other line items within the department's appropriation limit.
3. The budget is entrusted to the Town Manager to expend. Under the supervision of the Town Manager, the Finance Director is responsible for overall budget management. He or she is the Town official responsible for periodically analyzing the budgets of each department-agency; for reviewing the projection of the department heads and their corrective actions; and for implementing additional corrective actions to ensure that departments do not exceed their budgets. The Finance Director will report said analysis and corrective actions to the Town Manager. Department heads are expected to cooperate fully with the Finance Director, to ensure sound budget management and to prevent unauthorized deficits. Department heads who do not believe that compliance with the Finance Director's instructions are consistent with the maintenance of the public health and safety may appeal to the Town Manager.
4. The reserve fund is in the custody of the Finance Committee. No one should presume that either (a) the Town Manager will recommend to the Finance Committee a reserve fund transfer or (b) that the Finance Committee will approve it. For this reason, it is essential that any projected deficits be detected, reported and resolved as soon as possible.
5. Departments may submit requests for reserve fund transfers to the Finance Director. If the Finance Director does not concur with a

department's request, the department head may appeal to the Town Manager. All reserve fund requests will be submitted to the Finance Committee by the Town Manager or his designee, using the appropriate form (attached).

6. Revenues - Where departments collect revenues and fees from the public, record keeping and transfer to the Finance Department should be carried out in a prudent manner.

Distribution:            Department Heads  
                              Board of Selectmen  
                              Chair, Finance Committee

## RESERVE FUND REQUEST FORM

TO: \_\_\_\_\_, Chair  
Concord Finance Committee

Date: \_\_\_\_\_

The \_\_\_\_\_ respectfully requests a transfer from the RESERVE FUND to the  
\_\_\_\_\_ account in the amount of \$ \_\_\_\_\_. The account  
number is \_\_\_\_\_.

Original appropriation: \$ \_\_\_\_\_

Salary reserve transfers in: \$ \_\_\_\_\_

Budgeted transfers in: \$ \_\_\_\_\_

Reserve fund transfers in: \$ \_\_\_\_\_

Expenditures to date: \$ \_\_\_\_\_

Account balance: \$ \_\_\_\_\_

A complete and detailed explanation and statistical breakdown for this request is given on the  
back of this form.

\_\_\_\_\_  
Christopher Whelan, Town Manager

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I certify that the balance in the \_\_\_\_\_ account is \$ \_\_\_\_\_ as of \_\_\_\_\_.

\_\_\_\_\_  
Lynne A. Beck, Town Accountant

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By vote of the Finance Committee at a meeting held on \_\_\_\_\_, the above transfer  
in the amount of \$ \_\_\_\_\_ was:

☐ APPROVED.

☐ NOT APPROVED.

CONCORD FINANCE COMMITTEE

by: \_\_\_\_\_

Chair